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SUBJECT: JERUSALEM MEDIA REACTION (10/08): "THE END OF
NEO-CAPITALISM"

Main Stories:

Al Quds and Al Hayat Al Jadida lead with news on internal Palestinian talks in Cairo. Al Quds highlights comments by Hamas leader Mahmud Zahhar denying that the group has vetoed proposals to be discussed in Cairo. However, Zahhar adds that Hamas categorically rejects the formation of a Palestinian technocrat government and will insist on the formation of a national unity government, instead. Al Hayat Al Jadida adds that parties will also discuss early legislative and presidential elections and reform, under Arab supervision, to Gaza security forces.

Al Ayyam leads with, "Israel allows Palestinian Authority (PA) to deploy police in Hebron." Al Hayat Al Jadida carries a similar front page story. Reporting cites Israeli daily Yediot Aharanot and notes that PA security achievements in Nablus and Jenin have generated international support for expanding PA security efforts to other areas of the West Bank. The deployment of 500 PA police is scheduled for next week, according to reports. Al Ayyam adds that several international officials have visited Jenin where the PA achieved significant security improvements and quotes PA Foreign and Information Minister Riyadh Al Malki stating that the, "PA plans to assume responsibility for security in all PA Territories".

Al Quds runs a front page story on the visit of Quartet Representative Tony Blair to the northern West Bank city of Jenin. Blair is quoted saying, "the Quartet is determined to achieve change at the political, security, economic and social levels in the Palestinian Territories." Blair also asserts that the international community should lay the proper foundation for PA security efforts, including: allocating resources for building prisons and industrial zones and pressuring Israel to lift obstacles to Palestinian

movement.

The three dailies front page reports on the visit by Palestinian Authority (PA) President Abbas to India. India pledged \$10 million in support to the PA budget and donated land and buildings for the PA "embassy" in New Delhi, the papers note.

Al Ayyam publishes front page statements by Israel's Likud party chief Benjamin Netanyahu explaining that the peace process is not his first priority and that he would instead focus on taking practical steps to improve daily Palestinian life. Speaking to the Financial Times, he continued that he would allow Palestinians to live in their communities, but not take control of the Jordan valley area. Al Ayyam also highlights a recent UN report that shows an increase in Israeli obstacles to Palestinian movement.

Al Ayyam cites news agencies in a front page item that reads, "International mobilization to prevent panic over financial crises." The news item quotes Chairman of the U.S. Federal Reserve Ben Bernanke stating, "The American Central Bank has to reconsider its financial policies in light of the crises.... Risks related to growth have increased."

Al Ayyam highlights on its front page that Israeli soldiers shot a Palestinian at close range in the Fara'a refugee camp near Nablus. The report also highlights that soldiers "tortured" another handicapped Palestinian in the camp, "who is neither a political activist nor on the Israeli 'wanted list'," but was simply preparing a meal in her kitchen.

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Al-Hayat Al-Jadida runs an inside report headlined, "Water Authority and USAID Celebrate \$45 million water project in East Hebron." The report includes comments by USAID Mission Director Howard Sumka reiterating U.S. commitment to strengthening the Palestinian economy and improving daily life for the Palestinian people. Palestinian Authority Minister of Local Government Bandak thanked USAID for implementing the important project.

BLOCK QUOTES:

¶1. Al Ayyam independent daily prints an opinion piece written by Jawad Al Bashiti under the title, "The End to History" (10/08): "During feudal times, the church was the largest real estate owner, but during the... [end to] the history of neo-capitalism, the "Bush-Paulson" state has suddenly become the major real estate owner... The upcoming months will not be a time of healing but rather a time for the U.S. economy to slip into a deepening recession... Now, the ideology called "neo-capitalism" or the ideology of the "neo-liberals" has... reached its end... If we look deep into the history of the failure of ideologies, we discover that socio-economic systems first fail in their ideological kingdoms before they fail in the real kingdoms. What has gone bankrupt on Wall Street is not only a few banks, but the ideology of neo-capitalism itself..."

¶2. Regular columnist Adli Sadiq writes in official Al-Hayat Al-Jadida under the title, "Producing reconciliation ... in other words"(10/08): "It won't help Hamas to debate with itself nor on "Al Jazeera"... Hamas has to master the art of listening and get back to some level of maturity after losing its credibility. While it came to lead Palestinian society through a platform that touted reform, Jihad and resistance, it has failed to engage on easy, natural issues such as supporting the values of caring, harmony and social solidarity and other Quranic values. Instead, it has destroyed civil peace and established a future of revenge."

Walles